**Curtailing inflation**

1238. SHRI NATUJI HALAJI THAKOR: Will the Minister of FINANCE be pleased to state:

(a) whether Government has conducted any study to find out the reasons for inflationary trend in prices of essential commodities;

(b) if so, the details thereof; and

(c) what monetary and other measures are being proposed by the Government to curtail inflation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Government carries out regular analysis of prices of essential commodities based on available information. However, no specific study to find out the reasons for inflationary trend in prices of essential commodities has been conducted. The main reasons for inflationary trend in prices of essential commodities are increase in demand for these commodities due to increase in population and income, hardening in international prices, changes in consumption pattern and hike in minimum support price of various agricultural commodities. Delayed monsoon and floods in some parts of the country have also triggered expectations of lower production of food grains contributing to increase in price level of food articles.

(c) Initiation of monetary measures which impact on the demand side in the economy is under the domain of the Reserve Bank of India (RBI). The monetary policy stance of the RBI has been indicated as to maintain a monetary and interest rate regime consistent with price stability and financial stability and supportive of the growth process. On the supply side, Government has taken several measures which include reducing import duties on wheat, pulses, maize, raw sugar etc.; imposition of stock limits in the case of paddy rice, pulses, sugar; and ban on export of non-basmati rice.

**Revival scheme for Rural Co-operative Credit Structure**

1239. SHRI K.E. ISMAIL:
SHRI M.P. ACHUTHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Government of Kerala has expressed its opinion that the revival scheme for Rural Co-operative Credit Structure based on the Task Force headed by Prof. Vaidyanathan need to be modified taking into account the specific requirements of the State and the amendment proposed to the Banking Regulation Act 1949 as part of the legal and Institutional reforms may be dropped by the Central Government; and

(b) if so, the details thereof and Government's reaction thereto?